

**Greater Flint Arts Council, Inc.**  
Audited Financial Statements

**For the Years Ended December 31, 2021 and 2020**

**Greater Flint Arts Council, Inc.**  
Financial Statements  
For the Years Ended December 31, 2021 and 2020

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
Independent Auditor's Report	1-2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7-12



---

Anita R. Tellis, CPA, MST

15 E. Kirby St., Suite 106  
Detroit, Michigan 48202  
(313) 873-3812  
(313) 873-3816 Fax  
[www.tellisandcompanycpas.com](http://www.tellisandcompanycpas.com)

## Independent Auditor's Report

To the Board of Directors  
Greater Flint Arts Council, Inc.  
Flint, Michigan

We have audited the accompanying statements of Greater Flint Arts Council, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2021 and the related statement of activities, functional expenses, and cash flows, for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Greater Flint Arts Council, Inc.** as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Independent Auditor's Report  
(Continued)

**Report on Summarized Comparative information**

We have previously audited Greater Flint Arts Council, Inc., December 31, 2020 financial statements, and our report dated April 5, 2021, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Tellis & Company, PLLC*

March 28, 2022

**Greater Flint Arts Council, Inc.**  
**Statements of Financial Position**  
**As of December 31, 2021 and 2020**

	<b>ASSETS</b>	<u><b>2021</b></u>	<u><b>2020</b></u>
<b>Current Assets:</b>			
Cash and Cash Equivalents		\$ 209,199	\$ 161,194
Investments		<u>393,034</u>	<u>358,447</u>
<b>Total Current Assets</b>		<u><u>602,233</u></u>	<u><u>519,641</u></u>
<b>Fixed Assets:</b>			
Cost		643,546	643,546
Less: Accumulated Depreciation		<u>(525,828)</u>	<u>(509,935)</u>
<b>Net Fixed Assets</b>		<u><u>117,718</u></u>	<u><u>133,611</u></u>
<b>Total Assets</b>		<u><u>\$ 719,952</u></u>	<u><u>\$ 653,252</u></u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current Liabilities:</b>			
Payroll Liabilities		\$ 10,988	\$ 9,377
Current Portion of Long-Term Debt		<u>65,428</u>	<u>35,095</u>
<b>Total Current Liabilities</b>		<u><u>76,416</u></u>	<u><u>44,472</u></u>
<b>Long Term Liabilities:</b>			
Note Payable - Huntington Bank and ELGA Credit Union		<u>-</u>	<u>68,669</u>
<b>Net Assets:</b>			
Without Donors Restriction			
Undesignated		4,354	48,052
Aggregate Change of Endowment Fund		138,618	104,031
Designated for Fixed Assets		117,718	133,611
With Donors Restriction		<u>382,846</u>	<u>254,417</u>
<b>Total Net Assets</b>		<u><u>643,536</u></u>	<u><u>540,111</u></u>
<b>Total Liabilities and Net Assets</b>		<u><u>\$ 719,952</u></u>	<u><u>\$ 653,252</u></u>

The accompanying footnotes are an integral part of these financial statements.

**Greater Flint Arts Council, Inc.**  
**Statements of Activities**  
For the Years Ended December 31, 2021 and 2020

	Without Donor Restriction	With Donor Restriction	2021	2020
Support and Revenue:				
Support:				
Grants and Contracts	\$ 979,597	\$ 979,597	\$ 830,217	\$ 830,217
Memberships	4,465	-	4,465	1,810
Corporate Sponsors	23,002	-	23,002	18,993
Art Sales- Net Income (Loss)	4,787	-	4,787	4,085
Fundraiser	10,303	-	10,303	2,168
Placemaking	125,900	150,000	275,900	141,550
PPP Loan Forgiveness	35,095	-	35,095	-
Endowment	-	-	-	-
Special Events- Net	7,755	-	7,755	-
Total Revenue and Other Support	<u>1,190,904</u>	<u>150,000</u>	<u>1,340,904</u>	<u>998,823</u>
Net Assets Release from Restrictions	21,571	(21,571)	-	-
Total Revenues, Other Support & Reclassifications	<u>1,212,475</u>	<u>128,429</u>	<u>1,340,904</u>	<u>998,823</u>
Expenses:				
Functional Expenses				
Program Services				
Millage Program	603,227	-	603,227	586,282
Art Presentations	168,766	-	168,766	65,527
Technical Assistance	141,764	-	141,764	55,043
Community Arts Coordination	182,269	-	182,269	70,770
MCACA Regional Regranting Agency	81,008	-	81,008	31,453
Community Arts Education	40,504	-	40,504	15,727
Total Program Services	<u>1,217,539</u>	<u>-</u>	<u>1,217,539</u>	<u>824,802</u>
Supporting Services				
Management and General	40,504	-	40,504	15,727
Fundraising	20,251	-	20,251	7,862
Total Supporting Services	<u>60,755</u>	<u>-</u>	<u>60,755</u>	<u>23,589</u>
Total Expenses	<u>1,278,295</u>	<u>-</u>	<u>1,278,295</u>	<u>848,391</u>
Change in net assets from Activities from operating Activities	<u>(65,820)</u>	<u>128,429</u>	<u>62,609</u>	<u>150,432</u>
Nonoperating Activities:				
Investment Income	4,004	-	4,004	4,827
Unrealized Gains (Loss) on Investment	24,089	-	24,089	25,026
Realized Gains (Loss)	12,723	-	12,723	4,142
Changes in net assets from nonoperating activities	<u>40,816</u>	<u>128,429</u>	<u>40,816</u>	<u>33,995</u>
Changes in net assets	<u>(25,004)</u>	<u>128,429</u>	<u>103,425</u>	<u>184,427</u>
Net Assets at Beginning of Year	<u>285,694</u>	<u>254,417</u>	<u>540,111</u>	<u>355,684</u>
Net Assets at End of Year	<u>\$ 260,690</u>	<u>\$ 382,846</u>	<u>\$ 643,536</u>	<u>\$ 540,111</u>

The accompanying footnotes are an integral part of these financial statements.

Greater Flint Arts Council, Inc.  
 Statements of Functional Expenses  
 For the Years Ended December 31, 2021 and 2020

	PROGRAM SERVICES										Totals 2021	Totals 2020
	Arts Presentation	Technical Assistance	Community Arts Coordination	Millage Program	MCACA Regional Regranting	Community Arts Education	Total Program Services	Management and General	Fundraising			
<b>PAYROLL EXPENSES</b>												
Salaries	\$ 45,234	\$ 37,997	\$ 48,853	\$ 90,514	\$ 21,713	\$ 10,856	\$ 255,167	\$ 10,856	\$ 5,428	\$ 271,452	\$ 191,970	
Payroll Taxes	3,579	3,006	3,865	6,990	1,718	859	20,016	859	429	21,304	14,875	
Employee Benefits	6,912	5,806	7,465	9,903	3,318	1,659	35,064	1,659	829	37,552	26,457	
<b>Total Payroll Expenses</b>	<u>55,725</u>	<u>46,809</u>	<u>60,183</u>	<u>107,407</u>	<u>26,748</u>	<u>13,374</u>	<u>310,247</u>	<u>13,374</u>	<u>6,687</u>	<u>330,308</u>	<u>233,302</u>	
<b>OTHER EXPENSES</b>												
Contract Employment	649	545	701	4,450	312	156	6,813	156	79	7,048	5,788	
Development	3,920	3,293	4,234	-	1,882	941	14,270	941	470	15,681	10,232	
Dues and Subscriptions	350	294	378	-	168	84	1,275	84	42	1,401	983	
Festivals	11,492	9,653	12,411	-	5,516	2,758	41,831	2,758	1,379	45,968	1,556	
Insurance	660	554	712	1,859	317	158	4,260	158	79	4,498	5,257	
Interest/ Revolving Credit	638	536	689	-	306	153	2,322	153	77	2,552	2,928	
Investment Fees	389	327	422	-	187	93	1,418	93	46	1,557	2,284	
Meetings and Receptions	-	-	-	-	-	-	-	-	-	-	630	
Office Supplies and Expense	761	639	822	-	365	183	2,771	183	91	3,045	5,806	
Postage	249	209	268	2,335	119	60	3,240	60	30	3,329	1,679	
Printing	455	382	491	4,702	218	109	6,356	109	55	6,520	3,802	
Professional Fees	1,909	1,604	2,062	7,659	916	458	14,608	458	229	15,295	13,870	
Program Expense	78,554	65,986	84,839	9,328	37,706	18,853	295,266	18,853	9,427	323,546	62,771	
Promotion	-	-	-	11,669	-	-	11,669	0	0	11,669	9,897	
Regrant Expense	7,232	6,074	7,810	448,307	3,471	1,736	474,630	1,736	868	477,233	456,954	
Repairs and Maintenance	-	-	-	-	-	-	-	0	0	-	4,410	
Telephone	873	734	943	1,997	419	210	5,176	210	105	5,490	4,084	
Utilities	937	787	1,012	3,514	450	225	6,926	225	112	7,263	7,313	
<b>Total Other Expenses</b>	<u>109,068</u>	<u>91,617</u>	<u>117,795</u>	<u>495,820</u>	<u>52,353</u>	<u>26,176</u>	<u>892,829</u>	<u>26,176</u>	<u>13,088</u>	<u>932,094</u>	<u>600,244</u>	
<b>SUBTOTAL</b>	<u>164,793</u>	<u>138,426</u>	<u>177,978</u>	<u>603,227</u>	<u>79,101</u>	<u>39,550</u>	<u>1,203,076</u>	<u>39,550</u>	<u>19,775</u>	<u>1,262,402</u>	<u>833,546</u>	
Depreciation	3,973	3,338	4,291	0	1,907	954	14,463	954	476	15,893	14,845	
<b>TOTAL EXPENSES</b>	<u>\$ 168,766</u>	<u>\$ 141,764</u>	<u>\$ 182,269</u>	<u>\$ 603,227</u>	<u>\$ 81,008</u>	<u>\$ 40,504</u>	<u>\$ 1,217,539</u>	<u>\$ 40,504</u>	<u>\$ 20,251</u>	<u>\$ 1,278,295</u>	<u>\$ 848,391</u>	

The accompanying footnotes are an integral part of these financial statements.

**Greater Flint Arts Council, Inc.**  
**Statements of Cash Flows**  
For the Years Ended December 31, 2021 and 2020

<b>Cash Flows from Operating Activities:</b>	<u>2021</u>	<u>2020</u>
Change in Net Assets from Activities (Deficit)	\$ 103,425	\$ 184,427
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	15,893	14,845
(Increase) Decrease in Assets:		
Grants Receivable	-	-
Increase (Decrease) in Liabilities:		
Deferred Revenues	-	(150,000)
Payroll and Taxes Payable	1,609	4,553
	<u>120,927</u>	<u>53,825</u>
Net Cash Provided by (Used In) Operating Activities	<u>120,927</u>	<u>53,825</u>
<b>Cash Flows from Investing Activities:</b>		
Sales (Purchases) of Investments	(34,586)	(26,775)
Purchase of Fixed Assets	-	(20,950)
Total Cash Flows from Investing Activities	<u>(34,586)</u>	<u>(47,725)</u>
<b>Cash Flows from Financing Activities:</b>		
PPP Loan Forgiveness	(35,095)	-
Payments/Loan on line of credit	(3,240)	3,015
Total Cash Flows from Financing Activities	<u>(38,335)</u>	<u>3,015</u>
<b>Net Cash Increase in Cash and Cash Equivalents, and Restricted Cash</b>	<u>48,006</u>	<u>9,115</u>
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	<u>161,194</u>	<u>152,079</u>
Cash, Cash Equivalents, and Restricted Cash - End of Year	<u><u>209,200</u></u>	<u><u>\$ 161,194</u></u>

**SUPPLEMENTARY DISCLOSURES**

Cash Paid During the Year for:		
Interest	\$ <u>2,552</u>	\$ <u>2,928</u>

The accompanying footnotes are an integral part of these financial statements.



**Greater Flint Arts Council, Inc.**  
Notes to Financial Statements  
For the Year Ended December 31, 2021

**Note A - NATURE OF ACTIVITIES:**

**GREATER FLINT ARTS COUNCIL, INC.** (the Council) is a nonprofit service organization whose purpose is to be the catalyst of an advocate for increased artistic and cultural enrichments of an ethnically diverse community. The primary service area is in the City of Flint and Genesee County, Michigan.

**Note B - SUMMARY OF ACCOUNTING POLICIES:**

A summary of the Company's significant accounting policies applied in the preparation of the accompanying financial statements follows:

**BASIS OF ACCOUNTING AND REPORTING:**

The accompanying financial statements are prepared on the accrual basis of accounting; which allows the Organization to recognize contributions as they are received; as well as recognizing unconditional promises to give as they are made. The Organization also adopted the Financial Accounting Standards Board's accounting standards update No. 2016-18 Not-for-Profit Entities (Topic 230) for the year-ended December 31, 2021: Restricted Cash, statement of Cash Flows. This ASU requires that the statement of cash flows explain the changes during the period in the total of cash, cash equivalents, and restricted cash and that restricted cash be included with cash and cash equivalent when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows.

FASB 2018-08, Revenue with Contracts from Customers (Topic 606), and ASU 2016-02, Leases were adopted during the year. However, there were no transactions that meet these requirements.

**CASH AND CASH EQUIVALENTS:**

For the purpose of these financial statements, the Council considers all highly liquid investments with a maturity of three months or less to be cash equivalents. Cash and cash equivalents held in separate brokerage accounts are not include in cash and cash equivalents on the Statements of Financial Position.

**INVESTMENTS SECURITIES:**

The Council follows SFAS No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations." Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

**Greater Flint Arts Council, Inc.**  
Notes to Financial Statements  
For the Year Ended December 31, 2021

**Note B – SUMMARY OF ACCOUNTING POLICIES (continued):**

ACCOUNTS AND GRANTS RECEIVABLE:

Accounts and grants receivable are recorded at net realized value. Allowance for doubtful accounts is considered to be negligible, therefore not recorded in these financial statements.

FIXED ASSETS:

Fixed assets are recorded at cost when purchased or fair market value at time of donation. The property is depreciated using the straight-line method over the estimated useful lives of the assets. The Council capitalizes acquisitions greater than \$500.

CONTRIBUTIONS:

Accounting Standards Update (ASU 2016-14) recognizes Contributions as being recorded as without donor's restriction, or with donor restriction, depending on the existence or nature of any donor restrictions. With donor restriction assets are associated with a specific time period or a future event or endowment gifts to be held in perpetuity. Contributed collection items are not reflected on the financial statements.

**Net Assets Without Donor Restrictions**

Net assets that are not subject to imposed restrictions.

**Net Assets With Donor Restrictions**

Included gifts for which donor imposed restrictions have not been met and pledges and gifts for which donor imposed restrictions stipulate that resources be maintained permanently, but permits the Organization to use up or expend part of all of the income derived from the donated assets.

During 2021, with donor restricted net assets of \$21,571 were released from restrictions.

RECOGNITION OR DONOR RESTRICTIONS:

All donor-restricted support is reported as an increase in With Donor restricted net assets. When a restriction expires, with donor restricted net assets are reclassified to without donor net assets.

**Greater Flint Arts Council, Inc.**  
Notes to Financial Statements  
For the Year Ended December 31, 2021

**Note B – SUMMARY OF ACCOUNTING POLICIES (continued):**

ESTIMATES:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

TAX EXEMPT STATUS:

The Council is a not-for-profit organization that is exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. There was no unrelated business income generated during the fiscal year. The Organization's federal tax return for the prior three years remains subject to examination by the Internal Revenue Service.

IMPACT OF COVID-19 ON THESE FINANCIAL STATEMENTS:

Beginning around March 2020, and again in November 2020, the COVID-19 virus has been declared a global pandemic as it continues to spread rapidly. Business continuity, including supply chains and consumer demand across a broad range of industries and countries were severely impacted for months or beyond as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. The government of the USA announced two temporary lockdown as a measure to reduce the spread of the COVID-19. "As of the date of issuance of these financial statements, the full impact to the Company's financial position is not known. Interim financial statements indicate gross contributed revenue remains flat. Management is carefully monitoring the situation and evaluating its options during this time". No adjustments have been made to these financial statements as a result of this uncertainty.

COMPARATIVE DATA:

The financial statements include certain prior-year summarized comparative information in total, but not by the net asset class or functional classification. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2020 from which the summarized information was derived. The expenses on the statement of activities for 2020 have been shown in total only since the allocation method was not changed for 2021.

**Greater Flint Arts Council, Inc.**  
Notes to Financial Statements  
For the Year Ended December 31, 2021

**Note B – SUMMARY OF ACCOUNTING POLICIES (continued):**

OPERATIONS:

The Council defines operations as all program and supporting service activities undertaken. Revenues that result from these activities and their related expenses are reported as operations. Unrealized gains and losses are reported as non-operating.

**Note C – LINE OF CREDIT:**

The Council has a bank line of credit of \$175,000, which bears interest at the rate of 6% with periodic margin adjustments by the bank. Loan balances at December 31, 2021 \$ 0. The line of credit is secured by their property located at 816 S. Saginaw Street. Interest expense for the year \$ 0.

**Note D – CASH AND INVESTMENTS:**

At December 31, 2021, the carrying amounts of the Council's deposits with financial institutions classified as to risk were as follows:

Insured (FDIC or SIPC)	\$219,371
Uninsured- Uncollateralized	-
TOTAL	<u>\$219,371</u>

**Note E - FIXED ASSETS:**

Building and Equipment consist of the following:

Building and Improvements	\$517,132
Equipment	40,567
Parking Lot	<u>85,847</u>
Total Fixed Assets	\$643,546
Less: Accumulated Depreciation	( 525,828)
Net Fixed Assets	<u>\$117,718</u>

Depreciation expense was \$15,893 for December 31, 2021.

**Greater Flint Arts Council, Inc.**  
Notes to Financial Statements  
For the Year Ended December 31, 2021

**Note F – INVESTMENTS:**

The Organization has adopted SFAS No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations." Under SAFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

The fair market value of securities is as follows:

Cash and Cash Equivalents	\$ 95,868
Fixed Income	211,234
Equities	<u>85,942</u>
Total	<u>\$ 393,034</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended December 31, 2021.

Interest and Dividends	\$ 4,004
Net Realized and Unrealized Losses	<u>36,811</u>
Total	<u>\$40,815</u>

Investments are classified as follows in the financial statements:

Without Donor Restriction Increase of Endowment Fund	\$ -
With Donor Restriction- Endowment Corpus	<u>254,417</u>
Total	<u>\$254,417</u>

**Note G – NOTE PAYABLE:**

During 2017 Greater Flint Arts Council, Inc. obtained a loan for a parking lot ELGA Credit Union with monthly payment of \$476.54 which includes principal and interest at 3.75%. This loan balloon January 5, 2022.

Maturities of the notes for years ended December 31, are as follows:

December 31, 2022	<u>\$65,428</u>
-------------------	-----------------

**Note H - CONTRIBUTION REVENUE:**

The detail of contribution revenue is as follows:

Charles Stewart Mott Foundation (operations)	\$ 150,000
Charles Stewart Mott Foundation (Place making)	275,900
Flint Cultural Center Corp.	598,297
MACA	83,800
Others	<u>232,907</u>
TOTAL	<u>\$1,340,904</u>

**Greater Flint Arts Council, Inc.**  
Notes to Financial Statements  
For the Year Ended December 31, 2021

**Note J - CONTINGENCIES AND COMMITMENTS:**

Grants, bequests, and endowments require the fulfillment of certain conditions as set forth in instrument of grant. Failure to fulfill the conditions, or in the case of endowments, failure to continue to fulfill them, could result in the return of the funds to grantors. Although that is a possibility, the Board deems the contingency remote, since from the inception of accepting the gifts and their terms; it has accommodated the objectives of the provision of the gift.

**Note K – LIQUIDITY:**

The Organization’s working capital and cash flows have variations during the year attributable to the timing of grant and contribution receipts. Monthly cash outflows vary each year based on the specific requirements of the events programmed that year.

The following reflects the Organization’s financial assets as of the financial position date, reduced by amounts not available for general use within one year of the financial position date because of contractual or donor-imposed restrictions.

		<u>2021</u>
Current Assets, at Year End		\$602,233
Less:		
Current Liabilities	\$( 10,988)	
Assets With Donor Restrictions	<u>(254,417)</u>	<u>( 265,405)</u>
 Financial assets available within one year to meet cash needs for general expenditures within one year.		 <u>\$336,828</u>

**Note L – SUBSEQUENT EVENT:**

The council has evaluated events and transactions for potential recognition or disclosure through March 28, 2022, which is the same date the financial statements were available to be issued.

**Note M - NEW ACCOUNTING PRONOUNCEMENTS:**

In September 2020, the FASB 2020-7, Contributed Nonfinancial Assets (Topic 958) was issued. The ASU requires that contributed nonfinancial assets be presented as a separate line item in the activities, apart from contributions of cash and other financial assets. The ASU is effective for years beginning after June 15, 2021.

Management is currently assessing the potential impact of the upcoming pronouncements to the Organization’s accounting and financial reporting.